

PT 02-65

Tax Type: Property Tax

Issue: Religious Ownership/Use

STATE OF ILLINOIS
DEPARTMENT OF REVENUE
OFFICE OF ADMINISTRATIVE HEARINGS
CHICAGO, ILLINOIS

ST. PAUL CHURCH OF
G-D IN CHRIST COMMUNITY
DEVELOPMENT MINISTRIES.
APPLICANT

v.

THE DEPARTMENT OF REVENUE
OF THE STATE OF ILLINOIS

No.	01-PT-0023 (99-16-1898) (00-16-1724)
P.I.N.S:	20-03-312-052 20-03-312-053

RECOMMENDATION FOR DISPOSITION

APPEARANCES: Mr. Jeffery S. Blumenthal of the Law Offices of Rodney C. Slutzky, on behalf of the St. Paul Church of G-D In Christ Community Development Ministries (the “Applicant” or the “Ministries”); Mr. Shepard Smith, Special Assistant Attorney General, on behalf of the Illinois Department of Revenue (the “Department”).

SYNOPSIS: These consolidated proceedings raise the following issues: (1) whether real estate identified by Cook County Parcel Index Numbers 20-03-312-052 and 20-03-312-053 (hereinafter collectively referred to as the “subject property”) was “used exclusively for religious purposes,” as required by 35 ILCS 200/15-40, during: (a) the 70%¹ of the 1999 assessment year that transpired between April 19, 1999 and December

1. As a technical matter, the 30% of the 1999 assessment year that occurred prior to April 19, 1999 is not at issue herein because the applicant, itself, held no ownership interest in the subject property from January 1, 1999 through April 18, 1999. *See*, Findings of Fact 10-24, *infra*, at pp. 4-6. *See also*, footnote 7.

31, 1999; and, (b) the entire 2000 assessment year;² and/or, (2) whether the subject property was owned by an “institution of public charity” within the meaning of 35 ILCS 200/15-65(a) during any part of the period under review; and/or, (3) whether the subject property was “actually and exclusively used for charitable or beneficent purposes,” as required by 35 ILCS 200/15-65, during any part of the period in question. The underlying controversies arise as follows:

Applicant filed two separate Real Estate Tax Exemption Complaints, seeking to exempt the subject property from 1999 and 2000 real estate taxes, with the Cook County Board of Review (the “Board”). (Dept. Ex. Nos. 3, 6). The Board reviewed applicant’s complaints and recommended to the Department that: (a) the subject property be exempt from 1999 real estate taxes as of April 16, 1999; but, (b) “no action” be taken on the 2000 complaint because the 1999 complaint was still pending action by the Department. (Dept. Ex. Nos. 2, 5).

The Department reviewed the Board’s recommendations and issued two separate determinations finding that the both of the requested exemptions should be denied due to lack of exempt ownership and lack of exempt use. (Dept. Ex. Nos. 1, 4). Applicant filed timely appeals to both denials, which were consolidated for hearing, and later presented evidence at a formal evidentiary hearing. Following a careful review of the record made at that hearing, I recommend that the Department’s initial determinations herein be modified in accordance with the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT:

2. The period running from April 19, 1999 through December 31, 2000 shall hereinafter be referred to in the collective as “the period under review” or the “period in question.”

1. The Department's jurisdiction over these matters and its positions herein are established by the admission of Dept. Ex. Nos. 1, 2, 3, 4, 5 and 6.
2. The Department's position in these matters is that the subject property is not in exempt ownership and not in exempt use. Dept. Ex. Nos. 1, 4.
3. The subject property is located in Chicago, IL and improved with a three story brick building. Dept. Ex. Nos. 2, 5.
4. Applicant is an Illinois not-for-profit corporation which, pursuant to its Articles of Incorporation, is organized for the following purposes: (a) taking, receiving and accepting grants, research projects and funding for unspecified educational activities; (b) providing funds for innovative public and private educational initiatives and other unspecified educational activities; (c) obtaining financial assistance from the United States Department of Housing and Urban Development for available Section 202 and 811 programs that provide housing for low and moderate income families as well as the elderly and disabled; and, (d) operating housing projects for such persons on a not-for-profit basis. Applicant Ex. No. 1.
5. Applicant is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code pursuant to a determination issued by the Internal Revenue Service on March 5, 1997. This exemption remained in full force and effect throughout the tax years in question. Applicant Ex. No. 2.
6. Applicant's affiliate, the St. Paul Church of G-D in Christ of Chicago (the "Church"), is an Illinois Not-For-Profit Corporation organized for purposes of spreading the Christian Gospel through various ministries. Applicant Ex. No. 10.

7. The Church serves the Robert Taylor neighborhood of Chicago, an ethnically diverse community beset with low educational levels and high unemployment. Tr. p. 22.
8. The Church's senior pastor serves as applicant's president; the Church's recording secretary serves on applicant's board of directors. Applicant Ex. Nos. 1, 5; Tr. p. 19.
9. The Church obtained a property tax exemption for the subject property under terms of the Department's determination in Docket No. 95-16-402, issued by the Office of Local Government Services on March 20, 1997. This exemption remained in full force and effect until the Church transferred ownership of the subject property to the applicant.³ Applicant Ex. No. 3, 6; Tr. pp. 29-30, 36-37.
10. The Church obtained ownership of the subject property on November 5, 1995. Applicant Ex. No. 4.
11. The subject property needed extensive repairs when applicant purchased it, including ones to install an elevator to make the building accessible to the physically challenged. Tr. p. 39.
12. The Church's grantor and predecessor in title, the Chicago Housing Authority (the "CHA") imposed numerous terms and conditions on the transfer, including, *inter alia*, one requiring the CHA to approve any subsequent transfers of the Church's interest. Applicant Ex. Nos. 4, 7.
13. The CHA also required the Church to abide by the following restrictive covenant:

3. See, Findings of Fact 17 through 24.

It is an express condition and restriction as part of the purchase price of the above described real estate that such property shall not be used for any purpose other than an education and community service center which may offer various programs including, but not limited to,

- (i) a core education program for kindergarten through eighth grade school children with special services for children with educational and physical disabilities; or
- (ii) an after school program offering tutoring, counseling, and assistance to six through eighth grade and high school students; or
- (iii) a direct out-reach program to area schools to identify students who would benefit from collaborative intervention techniques primarily focusing on students from broken homes and students seeking a second chance; or,
- (iv) a senior citizen activities and referral service program offering financial assistance, counseling, emergency food needs and a day care facility.

Id.

14. The Church purchased the subject property with the intention of developing it into an community service center that would enable it to expand its existing programs, which include a day care center, a food pantry for the needy, a computer laboratory, and job training. Applicant Ex. No. 5; Tr. pp. 26, 31, 61-62, 66.

15. The Church provides many of its programs, including the job training and food pantry, free of charge. It does, however, impose certain user fees for the day care center. Tr. pp. 26, 67-68.⁴

16. All of the fees that the Church imposes are subject to governmentally-mandated sliding scales which: (a) require that fee amounts be adjusted according to an

4. For information about the financial structure of the Church's programs, *see*, the attached Appendix One.

individual's income level; and, (b) ensure that free services are provided to those who are unable to pay. *Id.*

17. The Church obtained a mortgage to finance the preliminary renovation costs in 1996 but lost these funds approximately one year later, when it developed reservations about its contractor's ability to make appropriate progress. Tr. pp. 41-42.

18. The loss of these funds forced the Church to commit its own resources to the project, which were very limited and consisted almost entirely of volunteer labor from its members. Tr. p. 42.

19. The volunteer labor enabled the Church to perform some limited maintenance, such as securing the premises and installing temporary space heaters that prevented the pipes from freezing, throughout the time it was continuing to look for other financial resources. Tr. pp. 42, 43.

20. The Church eventually hired a fund-raising consultant, who assisted it in applying for a \$750,000.00 grant from the Illinois Department of Commerce and Community Affairs ("DECCA"). Applicant Group Ex. No. 15; Tr. pp. 44-46, 91-92.

21. The Church applied for this grant under the applicant's name even though the Church remained nominal title holder of the subject property at the time of the grant application. Tr. pp. 29-30, 45, 90-91.

22. DECCA refused to fund this grant unless and until the Church transferred title to the subject property to the entity that applied for the grant, the applicant herein. Applicant Ex. No. 7, Tr. pp. 26, 29-30, 45-47, 93-94.

23. The Church immediately requested, and received, the CHA's permission to transfer its interest in the subject property to applicant. This transfer was subject to the exact

same terms, conditions and restrictive covenants that applied to the original transfer.⁵

Applicant Ex. No. 7.

24. The Church executed a quitclaim deed that effectuated a transfer of its interest in the subject property to the applicant on April 19, 1999. Applicant Ex. Nos. 3, 5.

25. Applicant's post-transfer timetable for completing its development project was as follows:

EVENT	DATE(S)
• Obtained bids from contractors	September and October, 1999
• Received proposed contract with selected contractor	October 13, 1999
• Received \$750,000.00 in grant money from DECCA	April 14, 2000
• Filed status report with DECCA indicating that it had not expended any grant funds between April 1, 2000 through June 30, 2000.	July 19, 2000
• Finalized and entered into contract with selected contractor	July 21, 2000
• Contractor actually started construction	July 21, 2000
• Filed status report with DECCA indicating that: (a) it had started construction on July 21, 2000; (b) construction was running approximately 5% behind schedule due to subcontractor delays; and, (c) it had expended \$231,904.00 in grant funds between July 1, 2000 and September 31, 2000.	October 18, 2000

5. See, Findings of Fact 12 and 13, *supra*, at pp. 4-5.

<ul style="list-style-type: none"> • Had expended \$343,922.00 or 45% of the total grant funds 	October 27, 2001
<ul style="list-style-type: none"> • Projected completion date for construction 	February 21, 2002

Applicant Group Ex. No. 15; Tr. pp.65-66, 68.

CONCLUSIONS OF LAW:

I. Preliminary Considerations

Article IX, Section 6 of the Illinois Constitution of 1970 provides as follows:

The General Assembly by law may exempt from taxation only the property of the State, units of local government and school districts and property used exclusively for agricultural and horticultural societies, and for school, religious, cemetery and charitable purposes.

Pursuant to Constitutional authority, the General Assembly enacted the Property Tax Code, 35 **ILCS** 200/1-1 *et seq.* The Code provisions that potentially govern disposition of this case are found in Sections 15-40 and 65(a) thereof, which provide, in pertinent part, for the exemption of:

200/15-40. Religious purposes, orphanages, or school and religious purposes.

§ 15-40. Religious purposes, orphanages, or school and religious purposes. All property used exclusively for religious purposes ... and not leased or otherwise used with a view to profit ...[.]

35 **ILCS** 200/15-40.

200/15-65. Charitable purposes

§ 15-65. Charitable purposes. All property of the following is exempt when actually and exclusively used for charitable or beneficent purposes, and not leased or otherwise used with a view to profit:

(a) institutions of public charity.

35 **ILCS** 200/15-65(a).

Statutes conferring property tax exemptions are to be strictly construed, with all facts construed and debatable questions or doubts resolved in favor of taxation. People ex rel. Nordland v. Home for the Aged, 40 Ill.2d 91 (1968); Gas Research Institute v. Department of Revenue, 154 Ill. App.3d 430 (1st Dist. 1987). Moreover, applicant bears the burden of proving by clear and convincing evidence that the property it is seeking to exempt falls within the appropriate statutory exemption. Immanuel Evangelical Lutheran Church of Springfield v. Department of Revenue, 267 Ill. App.3d 678 (4th Dist. 1994).

Here the potentially relevant statutory exemptions pertain to: (1) properties “used exclusively for religious purposes ...” (35 **ILCS** 200/15-40); and, (2) properties owned by “institutions of public charity” that are actually and exclusively used for charitable or beneficent purposes. (35 **ILCS** 200/15-65, 65(a)). The word “exclusively” when used in Sections 15-40 and 15-65 means the “the primary purpose for which property is used and not any secondary or incidental purpose.” Pontiac Lodge No. 294, A.F. and A.M. v. Department of Revenue, 243 Ill. App.3d 186 (4th Dist. 1993).

As applied to the uses of property, a religious purpose means “a use of such property by a religious society or persons as a stated place for public worship, Sunday schools and religious instruction.” People ex rel. McCullough v. Deutsche Evangelisch Lutherisch Jehova Gemeinde Ungeanderter Augsburgischer Confession, 249 Ill. 132, 136-137 (1911). “Charitable or beneficent purposes” are those which, by definition, benefit an indefinite number of people and persuade them to an educational or religious conviction that benefits their general welfare or somehow reduces the burdens of

government. Crerar v. Williams, 145 Ill. 625 (1893). They are also ones undertaken by entities that: (1) have no capital stock or shareholders; (2) earn no profits or dividends, but rather, derive their funds mainly from public and private charity and hold such funds in trust for the objects and purposes expressed in their charters; (3) dispense charity to all who need and apply for it; (4) do not provide gain or profit in a private sense to any person connected with them; and, (5) do not appear to place obstacles of any character in the way of those who need and would avail themselves of the charitable benefits they dispense. Methodist Old People's Home v. Korzen, 39 Ill.2d 149, 156, 157 (1968).

II. Exempt Ownership

Technical distinctions between the charitable exemption, which requires both exempt ownership and exempt use (Methodist Old People's Home v. Korzen, 39 Ill.2d 149, 156 (1968)), and the religious exemption, which, in the present context,⁶ requires only exempt use (People ex rel. McCullough v. Deutsche Evangelisch Lutherisch Jehova Gemeinde Ungeanderter Augsburgischer Confession, *supra*), can become blurred if dispensing charity forms an integral part of a religious organization's mission. First Presbyterian Church of Dixon v. Zehnder, 306 Ill. App. 3d 1114, 1117 (2nd Dist. 1999).

The entity that qualifies as a religious institution herein, the Church, is not the applicant in this case. Furthermore, the entity that *is* the applicant in this case, the St. Paul Church of G-D In Christ Community Development Ministries (the "Ministries") held no ownership interest in the subject property until April 19, 1999. (Applicant Ex. Nos. 3, 5). Therefore, Section 9-185 of the Property Tax Code, which governs alterations

6. The segment of Section 15-40 which governs the exemption of parsonages does require that the property be in exempt ownership. *See*, 35 ILCS 200/15-40. However, because the subject property was not used as a parsonage (i.e. housing provided by religious institutions for their employed clergy), that portion of Section 15-40 is inapplicable herein.

in exempt status precipitated by changes in ownership,⁷ limits the periods for which the Ministries may presently seek exemption to April 19, 1999 through December 31, 1999, or 70% of the 1999 assessment year⁸ and January 1, 2000 through December 31, 2000, or 100% of the 2000 assessment year.

The technical state of title throughout these periods is not necessarily determinative on the question of exempt ownership (People v. Chicago Title and Trust, 75 Ill.2d 479 (1979); Chicago Patrolmen's Association v. Department of Revenue, 171 Ill.2d 263 (1996)), especially in a case where: (a) the applicant, Ministries, and the Church are interrelated through their financial structures (Applicant Ex. No. 10) and the personnel who sit on their boards of directors (Applicant Ex. Nos. 1, 5; Tr. p. 19);⁹ (b) the documents whereby first the Church, and then applicant, obtained ownership of the subject property contained restrictive covenants making it legally impossible for both entities to use the subject property for anything except purposes related to community service (Applicant Ex. Nos. 3, 4, 5, 7); and, (c) the applicant Ministries assumed nominal title to the subject property for the sole and limited purpose of enabling an otherwise exempt entity, the Church, to obtain a governmental grant that it could not have procured

7. Section 9-185 of the Property Tax states, in relevant part, that:

... when a fee simple title or lesser interest in property is purchased, granted, taken or otherwise transferred for a use exempt from taxation under this Code, that property shall be exempt from the date of the right of possession, except that property acquired by condemnation is exempt as of the date the condemnation petition is filed.

35 **ILCS** 200/9-185.

8. Section 1-155 of the Property Tax Code defines the term “year” for Property Tax purposes as meaning a calendar year. 35 **ILCS** 200/1-155.

9. For further analysis of interrelated entities and the exempt ownership requirement, *see*, People ex rel. Goodman v. University of Illinois Foundation, 388 Ill. 363 (1944) and Southern Illinois University Foundation v. Booker, 98 Ill. App.3d 1062 (5th District, 1981).

if the Church had maintained title in its own name. (Applicant Ex. No. 7, Tr. pp. 26, 29-30, 45-47).

Neither applicant nor the Church could have proceeded with plans to develop the subject property for its intended use, a community resource center, without funding from this grant. Given these business realities, the Church should not be penalized for executing a transfer that was dictated by situation-specific practical exigencies in the first instance and a matter of economic necessity in the second. *Accord*, Christian Action Ministry v. Department of Local Government Affairs, 74 Ill.2d 51 (1978). Therefore, the substantive requirements for exempt ownership should not be applied in an excessively mechanical or technical fashion to the facts presented herein.

Furthermore, the Church's transferee, the applicant Ministries, is a community service organization. At least one Illinois court has recognized that public policy favors reducing tax burdens or other economic hardships imposed such organizations because they strive to improve the quality of life for their community members. Lena Community Trust Fund v. Department of Revenue, 322 Ill. App.3d 884, 891 (2nd Dist. 2001).

The appellant community service organization in Lena had no affiliation with a religious organization yet qualified as an exempt owner because of its role in promoting community welfare. Lena Community Trust Fund, *supra*, at 891. Because the "charitable" and "religious" exemptions can often be interrelated (First Presbyterian Church of Dixon v. Zehnder, 306 Ill. App. 3d 1114 (2nd Dist. 1999)), it would be incongruous to deny exempt status to this applicant, a community service organization that is also the affiliate of a duly qualified religious institution.

Based on the foregoing, I recommend that the Department's determinations with respect to exempt ownership should be modified to reflect that the subject property was in exempt ownership as of the date of conveyance, April 19, 1999. Therefore, for purposes of these proceedings only, said property was in exempt ownership for 70% of the 1999 assessment year and 100% of the 2000 assessment year.

III. Exempt Use

Both Sections 15-40 and 15-65 contain exempt use requirements.¹⁰ Hence, the above analysis should not be construed as granting the subject property exemption from 1999 and/or 2000 real estate taxes as of the date of conveyance, April 19, 1999. Rather, said analysis should be interpreted as meaning only that, for present purposes, the subject property became *eligible* for such exemption, based on applicant's ownership thereof, no sooner than that date.¹¹ Therefore, it is necessary to analyze exempt use issues in order to ascertain eligibility based on that requirement.

The standard uses associated with the "religious purposes" exemption are, as noted above, those that relate to prayer, public worship or instruction in religious matters. 35 ILCS 200/15-40; People ex rel. McCullough v. Deutsche Evangelisch Lutherisch Jehova Gemeinde Ungeanderter Augsburgischer Confession, *supra*. The subject property was not used or being developed for any of these purposes throughout the period in question. Therefore, as a technical matter, it is not eligible for the Section 15-40 use exemption herein. This being the case, any exempt uses applicant made of the subject

10. Section 15-40 provides, in relevant part, of the exemption of properties "*used* exclusively for religious purposes ...[;]" 35 ILCS 200/15-40 (emphasis added); Section 15-65 provides, in relevant part, for the exemption of properties "actually and exclusively *used* for charitable or beneficent purposes...[;]" 35 ILCS 200/15-65 (emphasis added). *See, supra*, at p. 8.

11. *See*, footnote 1.

property during that period must qualify as being “exclusively for charitable or beneficent purposes ...” within the meaning of Section 15-65.

The word “exclusively,” as used in Section 15-65 and other exemption statutes means “the primary purpose for which property is used and not any secondary or incidental purpose.” Pontiac Lodge No. 294, A.F. and A.M. v. Department of Revenue, 243 Ill. App.3d 186 (4th Dist. 1993). “Charitable” uses may be applied to almost anything that tends to promote the well doing and well being of social man, provided that the use or uses in question do not violate law or public policy. People ex rel Redfern v Hopewell Farms, 9 Ill. App.3d 16 (5th Dist., 1972). *See also* discussion of Crerar v. Williams, 145 Ill. 625 (1893) and Methodist Old People's Home v. Korzen, 39 Ill.2d 149, 156 (1968), *supra*, at pp. 9-10.

Applicant and the Church clearly intended to develop the subject property for use as a community resource center. However, actual and not intended use is decisive on the question of exempt use. 35 ILCS 200/15-65;¹² Skil Corporation v. Korzen, 32 Ill.2d 249 (1965); Comprehensive Training and Development Corporation v. County of Jackson, 261 Ill. App.3d 37 (5th Dist. 1994). Therefore, although the active adaptation and development of real estate for “charitable” purposes can constitute exempt use in some circumstances, (Weslin Properties v. Department of Revenue, 157 Ill. App. 3d 580 (2nd Dist. 1987)), the mere intent to develop real estate for community service purposes that one court has held to be “charitable” (Lena Community Trust Fund v. Department of Revenue, 322 Ill. App.3d 884, 891 (2nd Dist. 2001)) is legally insufficient to satisfy the statutory exempt use requirement.

12. Section 15-65 provides, in relevant part, for the exemption of properties “*actually and exclusively* used for charitable or beneficent purposes.” 35 ILCS 200/15-65 (emphasis added).

Applicant's affiliate, the Church, did take some preliminary steps toward adaptation and development, such as securing the premises and installing space heaters, that manifested a capacity to fulfill that intent. Nonetheless, business realities inherent in modern construction practice dictate that this capacity remained extremely limited while applicant was awaiting funding from DECCA.

Applicant did not receive necessary funding from DECCA until April 14, 2000. (Tr. p. 68). Consequently, applicant's capacity to finance an appropriate level of adaptation and development remained speculative until that date. Accordingly, the economic viability of applicant's entire project for all periods prior to April 14, 2000 appears questionable at best.

All such questionable or dubious matters must be resolved in favor of taxation. People ex rel. Nordland v. Home for the Aged, 40 Ill.2d 91 (1968); Gas Research Institute v. Department of Revenue, 154 Ill. App.3d 430 (1st Dist. 1987). Hence, for all the above reasons, I conclude that that applicant's exempt use of the subject property did not commence until the date on which its development project economically viable, April 14, 2000.

Applicant's proposal to commence exempt use on the date of transfer, April 19, 1999, fails to account for the fundamental economic reality that it could not engage in any significant adaptation and development unless and until it had received appropriate funding from DECCA. Applicant's president, the Rev. Charles M. Ford, acknowledged this reality by admitting that "we couldn't start work until we had the money in hand." (Tr. p. 54). Thus, while both applicant and the Church did engage in some very limited preparatory work throughout the period under review, that work did not rise to the level

of adaptation and development required by Illinois law (Weslin Properties v. Department of Revenue, *supra*), until applicant's project became economically viable on April 14, 2000. Therefore, the Department's initial determinations in these matter should be modified as follows:

Period Beginning	Period Ending	% of Assessment Year	Result	Grounds
4/1/99	12/31/99	70% of 1999 Assessment Year	Affirmed	Lack of Exempt Use
1/1/00	4/13/00	28% of 2000 Assessment Year	Affirmed	Lack of Exempt Use
4/14/00	12/31/00	72% of 2000 Assessment Year	Reversed	Exempt use, required by 35 ILCS 200/15-65, commences on the date applicant's project becomes economically viable, April 14, 2000.

WHEREFORE, for all the aforementioned reasons, it is my recommendation that:

- A. Real estate identified by Cook County Parcel Index Numbers 20-03-312-052 and 20-03-312-053 should not be exempt from real estate taxation for that 70% of the 1999 assessment year which transpired on or after the date applicant obtained ownership of said property, April 19, 1999; and,
- B. Said real estate should not be exempt from real estate taxation for the 28% of the 2000 assessment year that transpired between January 1, 2000 and April 13, 2000; but,

C. Said real estate should be exempt from real estate taxation for 72% of the 2000 assessment year under 15-65 of the Property Tax Code, 35 **ILCS** 200/1-1, *et seq.*

Date: 10/3/2002

Alan I. Marcus
Administrative Law Judge

APPENDIX ONE

	CHURCH	HOME START PROGRAM ¹³	CHANEY FORD CHILD CARE CENTER ¹⁴	YES PROGRAM ¹⁵	% ATTRIBUTABLE TO CHUCH	% ATTRIBUTABLE TO OTHER SOURCES	TOTAL	% OF TOTAL ¹⁶
REVENUES								
Contributions								
Cash	\$ 371,681.00	\$ 0.00	\$ 0.00	\$ 12,164.00	97%	3%	\$ 383,845.00	19%
Grant	\$ 0.00	\$ 99,219.00	\$ 0.00	\$ 750,000.00	0%	100%	\$ 849,219.00	42%
Property	\$ 0.00	\$ 0.00	\$ 0.00	\$ 84,830.00	0%	100%	\$ 84,830.00	4%
Total Contributions	\$ 371,681.00	\$ 99,219.00	\$ 0.00	\$ 846,994.00	28%	72%	\$1,317,894.00	65%
Local Government Subsidy ¹⁷	\$ 0.00	\$ 0.00	\$ 604,446.00	\$ 0.00	0%	100%	\$ 604,446.00	30%
Parent Fees	\$ 0.00	\$ 0.00	\$ 77,806.00	\$ 0.00	0%	100%	\$ 77,806.00	4%
Dividends and Interest	\$ 2,814.00	\$ 0.00	\$ 0.00	\$ 0.00	100%	0%	\$ 2,814.00	<1%
Honoraum Dinner	\$ 0.00	\$ 0.00	\$ 0.00	\$ 37,164.00	0%	100%	\$ 37,164.00	2%
TOTAL REVENUES	\$ 374,495.00	\$ 99,219.00	\$ 682,252.00	\$ 884,158.00	18%	82%	\$2,040,124.00	100%
EXPENSES								
Contributions	\$ 84,830.00	\$ 0.00	\$ 0.00	\$ 0.00	100%	0%	\$ 84,830.00	7%
Program	\$ 122,219.00	\$ 91,449.00	\$ 486,128.00	\$ 32,631.00	17%	83%	\$ 732,427.00	58%
Banquets	\$ 5,334.00	\$ 0.00	\$ 0.00	\$ 31,761.00	14%	86%	\$ 37,095.00	3%
General & Administrative	\$ 301,871.00	\$ 0.00	\$ 102,496.00	\$ 0.00	75%	25%	\$ 404,367.00	32%
TOTAL EXPENSES	\$ 514,254.00	\$ 91,449.00	\$ 588,624.00	\$ 64,392.00	41%	59%	\$1,258,719.00	100%

Applicant Ex. No. 10.

13 . The Headstart program is a childcare program for infants and toddlers operated by the applicant Ministries. Applicant Group Ex. No. 15.

14. The Chaney Ford Child Care Center is a licensed day care center for pre-school age children operated by the Church. Applicant Ex. No. 10.

15. The YES program is an after-school enrichment program for school age children operated by the applicant Ministries. Applicant Ex. No. 10.

16. All percentages shown herein are approximations derived by dividing the amounts shown in the relevant category by the total revenues or expenses, as the case may be. Thus, \$383,845.00/\$2,040,124.00 = 0.1881 (rounded four places past the decimal) or 19%.

17. This subsidy is provided by the City of Chicago Department of Human Services. Applicant Ex. No. 10.